

REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION

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May 13, 2003

FROM: RUDY LOPEZ, Director
Department of Behavioral Health

SUBJECT: AMENDMENT TO AGREEMENT WITH VISTA PACIFICA FOR INSTITUTE OF MENTAL DISEASE SERVICES

RECOMMENDATION: Approve Amendment No. 1 to Agreement No. 02-520 with Vista Pacifica in the amount of \$489,557 for Institutes of Mental Disease services for the period July 1, 2002 through June 30, 2003, increasing the total agreement amount from \$587,716 to \$1,077,273.

BACKGROUND INFORMATION: Approval of this item will allow the Department of Behavioral Health to serve severely and persistently mentally ill clients at an appropriate level of care by ratifying usage of Vista Pacifica facilities since August 2002.

The Department of Behavioral Health (DBH) operates a continuum of care system that consists of County operated and contracted service providers delivering a variety of mental health treatment services within each geographic region of San Bernardino County. The highest level of care is the state hospital psychiatric unit; the next highest level of treatment is provided through the Institute of Mental Disease (IMD). Clients who need a lower level of care are placed in augmented board and care facilities. The higher the level of care, the more costly it is to place clients.

IMDs are locked Medi-Cal nursing facilities that provide services to a severely and persistently mentally ill population whose functioning level is too low to be maintained in a board and care facility. Licensed IMDs provide programs of organized therapeutic activities designed to promote daily living and social skills, which augments and is integrated within the existing nursing facility program. The State Department of Mental Health (DMH) mandates that DBH use licensed IMDs to provide specific 24-hour services to mental health consumers who require this level of care. Additionally, State DMH sets the basic rate for IMD services.

DBH contracts with every IMD facility in San Bernardino County. Additionally, DBH contracts with two IMD facilities in Riverside County and one in Los Angeles County due to a shortage of beds available in this county and the limited number of IMD facilities statewide. On June 25, 2002 the Board approved contracts with the four IMD facilities in San Bernardino and Riverside Counties. On November 19, 2002 the Board approved the contract with the IMD facility in Los Angeles County.

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In August 2002, the State suspended the license of one contracted facility in San Bernardino County and instructed all user agencies to immediately transfer their clients from that facility to other appropriate facilities. At the time, DBH had 37 clients at the facility and found itself competing for a limited number of IMD beds. Vista Pacifica offered DBH 15 beds in addition to its existing contract. The existing contract offered 12 beds; the additional beds increased the total to 27 beds beginning in August 2002.

Approval of this item will allow DBH to amend the existing contract with Vista Pacifica to add 15 IMD beds. The amendment represents a cost savings to the department as the alternative for IMD beds would have been state hospital beds at a daily rate of \$308 to \$360. Daily rates at Vista Pacifica range from \$121 to \$211. The rates at each IMD facility vary depending upon the patient's level care of care.

This item is being brought forward at this time because the system previously in place at DBH provided little information about the potential for overexpenditure until after invoices were received. In February 2003, DBH staff, through an analysis of claims submitted by Vista Pacifica, determined that the contract maximum had been exceeded. DBH then began exploring options for the possibility of contracting with other IMD facilities to alleviate the need to amend the agreement by such a significant dollar amount. Despite the level of effort dedicated to exploring alternative placement facilities, DBH is still left with inadequate IMD bed space to meet the ever-increasing needs of this population.

To ensure that this type of incidence does not occur again, DBH has centralized functions in order to put in place preventive measures. The Adult Residential Services (ARS) Clerk will supply the ARS Clinic Supervisor with a weekly spreadsheet showing the balances and trends in each IMD agreement. If DBH should come across a similar set of circumstances, there is now greater accountability and a clearer set of guidelines to follow. The ARS Clerk will alert the Clinic Supervisor in advance that the agreement has the potential for exceeding its budgeted amount. The Supervisor will then notify the Program Manager, who will bring this information to the Director for review.

REVIEW BY OTHERS: This item was reviewed and approved as to form by Deputy County Counsel, Charles J. Larkin on April 28, 2003. This item was also reviewed by County Administrative Office, Beatriz Valdez, Administrative Analyst on May 5, 2003.

FINANCIAL IMPACT: Approval of this item will enable DBH to maintain its current level of IMD services. The cost for this contract is not to exceed \$1,077,273 and can be absorbed by DBH's FY 02/03 budget. Actual costs are determined by daily usage of IMD beds. The cost for this amendment is partially offset by savings from the San Bernardino facility, which was not operational for several months. As of March 2003, the San Bernardino facility has used 19% of the \$1,619,543 allocated for IMD services that facility. There is no local cost to the County, as IMD services are 100% funded by State realignment.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item and recommends approval, as it will impose no additional cost to the County.

SUPERVISORIAL DISTRICT(S): All

PRESENTER: Rudy Lopez, Director
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